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ABSTRACT

Relatively little research has focused on how organizational culture and existing methods of evaluating the job performance of minority ethnic groups have contributed to exclusion from, and discrimination in, the workplace or on how organizations can address these issues. The evidence suggests the existence of a widespread tendency in organizations to evaluate the performance of minority ethnic employers much lower than that of white staff. These differences may be due to the following factors: bias in the systems used to measure and improve performance; biased perceptions of white managers; and actual differences in performance. The lack of studies examining the issue of race in organizations is particularly evident in the United Kingdom. Two theories--cognitive processing theory and the theory of in-groups and out-groups--provide a useful explanation for individual (managerial) behavior. Corporate organizations wishing to improve the fairness of their evaluation of minority workers' job performance should take the following actions: (1) undertake a thorough work force review to identify areas of concern, including access and treatment; (2) examine systems, processes, attitudes, and behaviors as possible contributory factors; and (3) assess what needs to be changed and what can be changed within the cultural context. (Contains 43 references.) (MN)

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The Problem of Minority Performance in Organisations

ND Tackey, P Tamkin, E Sheppard

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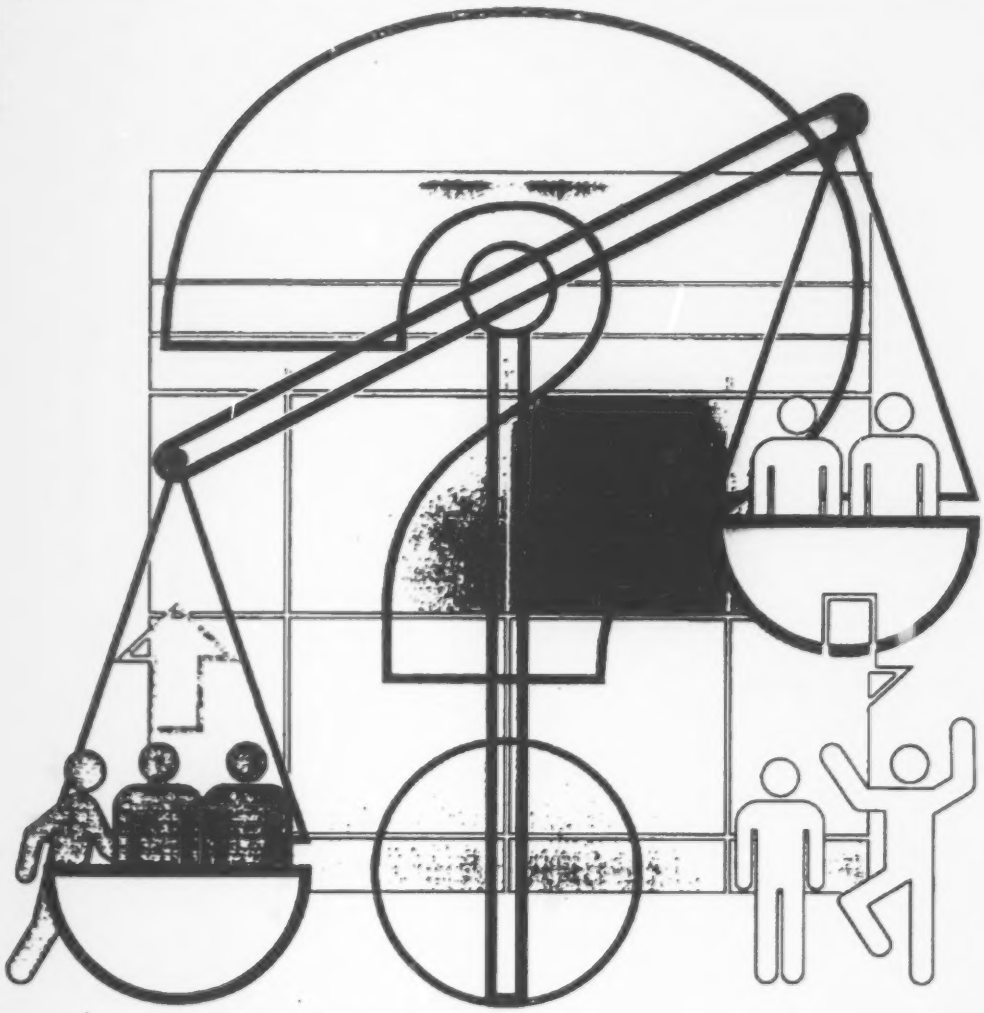

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P Tamkin
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Contents

Executive Summary	ix
1. The Problem of Minority Performance in Organisations	1
1.1 Background	1
1.2 This report	4
2. Explanatory Frameworks	7
2.1 Literature on race and the organisation	7
2.2 Performance attributional effects	10
2.3 Theories of performance evaluation	13
3. Organisational Culture, Support and Performance	21
3.1 Do the determinants of progression differ by ethnicity?	23
3.2 Ethnic minorities' response	26
4. Remedying Differential Performance Evaluations	30
4.1 Is there a problem?	32
4.2 Where is the problem?	33
4.3 What are the mechanisms?	35
Bibliography	39

Executive Summary

There is little research in the area of race and organisation. Most of what is available focuses on improving recruitment and selection procedures. Addressing the problem of under-representation of minority ethnic staff, however, is only part of the process of establishing fairer workplaces. It is equally important that they are not disadvantaged in the way that they progress within organisations. This brief presents evidence from published literature on the ways in which the performance of minority ethnic groups is evaluated, and on which a number of other HR processes depend, such as career development and progression. In particular, it explores how attributions are made, examines some of the explanatory frameworks for such attributions, and looks at the ways organisational culture can contribute to exclusion and discrimination. Finally, we offer recommendations on what organisations can do to address these issues.

Background

Minority ethnic groups experience greater disadvantage in the labour market. They have higher rates of unemployment, earn less than comparable whites, and are over-represented on the lower rungs of the organisational ladder. It is equally clear, however, that policy makers are increasingly turning their attention to addressing these glaring disparities. The findings of the Stephen Lawrence Inquiry have highlighted the urgent need for this, by raising questions about racism, and in particular

institutional racism, within the UK. This relates not only to the services provided by institutions to the community as a whole, but also their performance as employers themselves. It applies to their selection practices and subsequent HR procedures that govern who gets a job, and how people are treated once they are employed.

The current review

This review concentrates on the key determinants of the performance management process in organisations, because that process underpins most other personnel decisions, in particular the assessment of performance. It therefore may be seen as the root cause of much of the disadvantage that minority ethnic employees experience. The evidence from the literature is that there is a widespread tendency in organisations to evaluate the performance of minority ethnic employees much lower than that of white staff. We suggest that the observed difference may be due to three principal factors:

- it may be due to bias in the systems used to measure and improve performance
- it may be the result of biased perceptions of white managers, rather than the true measures of performance
- it may reflect actual differences in performance.

Each of these assumptions has consequences for the way organisations take remedial action to address problems of possible discrimination in the evaluation of performance.

Explanatory frameworks

There is a dearth of literature which deals with the issue of race in organisations in the UK. Much of the research on race in organisational behaviour has been initiated in the

US. The studies tended to focus on 'access' discrimination – the way that minorities were disadvantaged through the way positions were advertised, their rejection through selection procedures, and their comparatively low starting status. Very little attention was directed towards their 'treatment' once they entered organisations, on such issues as opportunities for advancement, career-building and development.

More recently, that imbalance has been addressed, and later research has paid more attention to the way that performance evaluation processes work within organisations. In particular, rater bias among managers have been measured to test for discrimination or unequal treatment of minorities. What emerges from this latter research, though, is that authors are sharply divided as to whether race effects occur in the wide variety of organisational and management issues. Proponents of the 'no effect' school believe that the ratings of white managers merely reflect the lower job-related ability and experience of their minority subordinates. Other commentators attribute significant differences between racial groups to rater bias. Given the divergence of views, what are needed are possible explanations for why the observed differences exist, and for such explanations to be underpinned by some theory of behaviour in organisations.

Evaluation theories

The literature identifies two possible theories to explain the observed differences in the evaluation of performance. Both assume biased perceptions among raters. The first, **cognitive processing theory**, suggests that when assessing the performance of their subordinates, managers look for information and evidence that confirm broader stereotypes based on, say, gender or race. The attribution of negative characteristics to members of a certain group (minority ethnic employees) then leads to negative outcomes for all future members of that group. Attribution bias takes

several forms. For example, managers' prior expectations can lead them to evaluate the performance level of minorities more negatively that they actually warrant. Another form of bias occurs when the good performance of minorities on a job is attributed to good luck or extraordinary effort, rather than to their abilities or talents.

The second theory, **in-groups and out-groups**, explains how individuals within organisations are assigned to two types of groups, and treated in quite contrasting ways by managers. 'Organisation' groups belong to an 'in-group', and are defined by task and function, and treated more favourably, particularly in the type of support provided for them. Managers also use less authority to influence their behaviour and performance. 'Identity' groups, on the other hand, belong to the 'out-group', and are determined by their physical characteristics (such as race/ethnicity), and managed according to a more authoritarian style, and through contract compliance. The conflict between organisational group membership and racial identity group membership often lead to racist assumptions, which also influence performance evaluation decisions.

Organisational culture

Cognitive structures and group theories provide a useful explanation for individual (managerial) behaviour. Ultimately, though, it is organisational behaviour which has a more significant impact on minority individuals. In particular, the organisation's culture defines and shapes its behaviour in policy areas such as equal opportunities and development opportunities.

This, in turn, has a strong impact on conceptions about minority individuals. It is within this environment, though, that questions arise as to whether the determinants of progression within the organisation differ according to ethnic origin. To a large extent, progression opportunities within organisations are determined by an internal labour

market which is regulated by the organisation's goals and objectives. Consequently, where discrimination still exists, even in the face of equal qualification, skill levels and employment experience, it is surmised that minorities are paying an 'ethnic penalty', which is dictated by the culture of the organisation. Minority ethnic individuals may respond to this through a self-limiting behaviour; the way people hold themselves back from career development opportunities because of what they perceive as an accumulation of lost opportunities. A downward spiral becomes established, which provides an explanation for poor performance.

Remedial action

Our approach to how organisations may identify and address internal problems of minority performance is based on three assumptions:

- that there is a belief or suspicion that inequality in the evaluation of performance of different groups is a problem
- that the organisation wishes to identify the areas and causes of the problem(s), and
- that there is desire to develop mechanisms or approaches to eliminate the problem.

Any remedial action, where a problem is identified to exist, must be based on evidence, *ie* detailed information on the workforce, including numbers at each grade, recruitment and retention rates, tenure and progression *etc*. These must be broken down by ethnicity and, in the case of multi-sited organisations, location. We suggest some basic statistical analysis to see, for example, if recruitment rates reflect the external minority ethnic population, and whether promotion rates reflect the proportion in feeder grades.

If there is evidence of a problem, then the next level of enquiry is to identify the problem areas and undertake further work on these. The most common areas here are recruitment methods, shortlisting and selection criteria, selection panels, career paths, and appraisal systems.

The mechanism for eliminating the problem presents the most difficulty for organisations, because it challenges inappropriate attitudes and behaviour. Evidence of behavioural issues include differences in interview outcomes, and in appraisal judgements. Attitudinal and behavioural problems are most often tackled through training and development, but in conjunction with systems that make explicit what is (or what is not) expected behaviour. These are best defined through competencies.

Guidelines

Our main guidelines for corporate organisations embarking on remedial action are to:

- undertake a thorough workforce review to identify any areas of concern, including access and treatment
- look at systems, processes and attitudes and behaviours as possible contributory factors
- assess what needs to be changed and what is possible within the cultural context.

1. The Problem of Minority Performance in Organisations

This brief overviews some of the literature that is available on the work performance of minority ethnic groups in organisations. In doing so we begin by setting the context for the current interest in issues of ethnicity, and review the evidence of differential experience within organisations from both the public and the private sectors. We then go on to examine the literature that deals with issues of race and performance, explore how attributions are made, examine some explanatory frameworks and then look at the ways organisational culture can contribute to exclusion and discrimination. Finally we look at what organisations can do to address these issues'.

1.1 Background

It is generally acknowledged that minority ethnic groups experience greater disadvantage in the labour market. They are more likely to experience unemployment, earn less than their white peers, be over-represented at the bottom rungs of the organisational ladder, and to feel that they are discriminated against (Jones 1993; Madood *et al.* 1997; TUC 1999; TUC 2000). The disadvantages that ethnic minorities generally continue to experience in the labour market is a problem to which policy makers are increasingly turning their attention. This focus has been brought into even sharper relief following the findings of

the inquiry headed by Sir William Macpherson of Cluny into the death of the black teenager, Stephen Lawrence, and the subsequent findings on institutional racism. The Stephen Lawrence Inquiry report defined institutional racism as:

> *'The collective failure of an organisation to provide an appropriate and professional service to people because of their colour, culture or ethnic origin. It can be seen or detected in processes, attitudes and behaviour which amount to discrimination through unwitting prejudice, ignorance, thoughtlessness and racist stereotyping which disadvantage minority ethnic people.'*[1]

This definition whilst intended as a comment about service delivery, could equally apply not only to those external clients or customers of an organisation, but also to representation of ethnic minority staff within an organisation, and to discrimination among employees. In other words, it applies to the selection practices and subsequent HR procedures that govern who gets a job and how people are treated once they are employed. Despite its focus on the procedures and practices of a large public sector organisation, the Metropolitan Police Service, the charge should not be seen to be confined to organisations in the public sector only. Recent studies by the TUC and the Runnymede Trust have highlighted the fact that the private sector is not immune from the charge of discrimination, when it comes to the career development and progression of ethnic minority employees (TUC, 2000; Runnymede Trust, 2000).

Recent research (mainly in occupational psychology) has focused on initiatives taken by employers to improve representation of minority ethnic employees within organisations, as one of the ways of addressing this problem (Kandola and Keane, 1998; Scott and Kwiatkowski, 1998).

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[1] *The Stephen Lawrence Inquiry: Report of an inquiry by Sir William Macpherson of Cluny*, The Home Office, Cmd. 4262-1, February 1999.

The emphasis of such efforts has been on improving the opportunities to access in the organisation, *ie* recruitment initiatives. Increasingly, though, it is being recognised that improving representation is only one step on the way to acknowledging diversity and creating fairer working practices. Organisations need also to address the experiences of minority ethnic groups after they have been recruited, and tackle potential 'treatment' discrimination once they are in employment. This is a view that is shared by the Government, which in its White Paper, *Modernising Government*, pointed out that:

> *'A truly effective diverse organisation is one in which differences individuals bring are valued and used. Currently we tend to minimise differences and expect everyone to fit into established ways of working. We should not expect them to. We should be flexible to allow everyone to make the best contribution they can. This has to be reflected in our ways of working, our personnel practices, the way managers manage.'*

The implications for organisations are that they should be concerned not only with the appropriate representation of ethnic minority staff within the workforce, but also need to consider whether their procedures and practices can inadvertently contribute to discrimination in the workplace. At the corporate level, unequal practices are manifested by a number of indicators:

- the increasing management/supervisory gap between minority ethnic employees and their white counterparts. The recent TUC analysis of Labour Force Survey (LFS) data (TUC, 2000) indicated that the gap between widened from 4.6 per cent in 1992 to 5.7 per cent in 1999.
- the almost total absence of ethnic minority representation at senior management level in some of Britain's largest corporations (Runnymede Trust, 2000).
- the disproportionately high numbers of minority ethnic employees experiencing disciplinary action in a number of local authorities (Rick *et al.*, 1999)

Of particular concern is that these trends are occurring against the background of rising skill levels among minority ethnic employees, with statistics showing that they are more likely to hold higher level qualifications compared with their white counterparts (TUC, 2000).

1.2 This report

In this report we concentrate on one of the key determinants of pay and progression within organisations: the performance management process. This underpins many other personnel decisions. It may be that the root cause of much of the disadvantage that minority ethnic employees experience lie with such assessment of performance.

This paper explores the literature on the relationship between ethnicity and performance, in order to understand the issues that may contribute to the observed under-performance of ethnic minorities. In particular, it seeks to understand the linkages between ethnicity and performance within organisations as explored by other studies.

The evidence from the literature is that there is a widespread tendency in organisations to evaluate the performance of minority ethnic employees much lower than whites. We suggest that this observed difference may be due to a number of factors:

- it may be due to bias in the systems used to measure and improve performance, or
- it may be the result of biased perceptions of white managers, rather than the true measures of performance, or
- it may reflect actual differences in performance.

Our experience of reviewing performance management systems in organisations is that, on the whole, many of the

problems encountered occur in the application of the systems (used in evaluating performance), rather than inherent deficiencies in the systems themselves. The widespread and persistent nature of the problem, despite much variety in performance management, would tend to suggest that there are other processes at work.

However, if the second of our assumptions is correct, then it is likely that white managers' perceptions of the performance of their ethnic minority subordinates is more likely to be influenced by factors other than the ability of those subordinates. In other words, they assess their subordinates on criteria not related to the job.

On the other hand, if the third of our assumptions is valid, it raises other issues that may explain the poor performance. In particular, it touches on how organisations manage poor performance, particularly as this (poor performance) could be rooted in perceptions held by ethnic minorities about their career progression prospects, and training and development opportunities. These are some of the components that make up what has been described as 'the attitude chain'. Recent research by IES (Barber *et al.*, 1999) has shown that organisational performance has antecedents in the attitudes of staff. This 'attitude chain' of effect is rooted in individuals' attitudes to their work environment. In the retail organisation studied, these attitudes were most affected by the individual's perception of management capability, the general support offered by the organisation, and training and development opportunities. Positive attitudes were associated with a greater likelihood of attending, *ie* lower rates of sickness absence and better performance. These together resulted in improved customer satisfaction and customer loyalty and hence improved profitability. The general lesson that staff attitudes correlate with individual performance may provide a potential explanation as to how poor performance may be rooted in perceptions of managerial

support, career opportunities and access to training and development.

Indeed, under this assumption, it might be useful to examine whether some of the antecedents of poor performance among some ethnic minority groups can be traced back to their educational experience and academic attainment. The pertinent issues for consideration here, however, include the extent to which there is organisational and management support to help improve performance. Their existence or otherwise could be a reflection of organisational culture. Equally important is the availability of career progression opportunities, as well as training and development opportunities. These are the factors that make up the attitude chain, and which are likely to influence the level of performance of particular groups within the organisation.

From the analysis of the literature, this brief will highlight some of the probable causes of discrimination that are likely to lead to lower rating of the performance of ethnic minorities. Following this, the brief makes suggestions for possible remedial action to address the problems of possible discrimination in the evaluation of the performance of ethnic minorities. The final part of the report makes suggestions for the direction of future research.

2. Explanatory Frameworks

It is important to point out that there is a dearth of literature dealing with the issue of race in organisations. Until recently, much of the research on race in organisational behaviour had been initiated in the United States. Their origins lay in the Civil Rights Act of 1964, the legislation which contributed to the most significant change in the composition of the workforce. But even in the US, the research design for much of the earlier literature was of the experimental variety, with little account taken of the organisational context. A lot of the literature was concerned with 'counting' instances of occurrence of particular behaviours within mainly laboratory settings. Even now, there is a distinct lack of qualitative data which seeks to explain the behaviour of managers and their subordinates within organisational settings.

2.1 Literature on race and the organisation

The paucity of literature in this regard has been demonstrated by Cox and Nkomo (1990), who carried out a comprehensive review of journal and other academic research that addressed the issue of race in organisations. Their report was aptly titled *'Invisible men and women'*, to reflect their view that researchers and academic writers on organisational behaviour and human resource management shied away from this area of study. Cox and Nkomo found

only 201 articles, published in 20 journals over a twenty-five year period, which addressed organisational behaviour and human resource management topics focused on race effects in organisations. (By comparison, some 16 journals published, over the 18 year period 1971-1989, around 426 articles on age issues and 1,306 articles on gender issues.) The majority of articles they studied were empirical studies, with many of them only summarising survey data. Very few of these studies, moreover, were underpinned by any theoretical arguments. In any case, because most were exploratory, their authors did not present or test any hypothesis.

2.1.1 Focus of the literature

The focus of much of the earlier research was on access discrimination that minorities faced, such as limited advertising of positions, rejection of applicants, and lower starting salaries. This is to be expected, since these were the areas where organisations were required by both legislation and court cases to ensure their practices did not have unequal impact on different race groups. The fact that organisations had to establish they had valid and reliable personnel systems, particularly in the area of recruitment, prompted researchers to begin to examine critically the selection policies of organisations, and to measure unequal impact. For example, the Commission for Racial Equality (CRE) has over the past few years published findings of direct or indirect access discrimination in the practices of specific employers, and sometimes of whole professions or industries, such as accountancy and hotels. Accountancy, for example, was found to have a disparity between black and white selection rates at all stages of recruitment into chartered accountancy training contracts, suggesting the existence of some discrimination, albeit acting in an indirect way (CRE, 1987, 1988a, 1988b). The law profession has also been subject to scrutiny about its recruitment and career development practices. Traditional practices, administrative convenience and a lack of social

responsibility of some legal firms, have been highlighted as barriers to wider access to ethnic minorities (King and Israel, 1989)

Some of the remedial actions taken by organisations to reform their personnel practices have been based on the belief that discrimination is wrong both legally and morally. Organisations that take this *discrimination and fairness* approach have, consequently, focused on equal opportunity, fair treatment recruitment, and compliance with legislative requirements. Under this approach too, progress has been measured by how well recruitment and retention goals are achieved. It can be argued, however, that to a large extent, all such reform is premised on achieving equality, but not to the extent of influencing the organisation's work or culture.

On the other hand, for a very long time, very little attention was directed towards the treatment of minority groups once they had entered organisations. Thus, although much more is known about providing minority groups with access to a wide variety of jobs, there is less knowledge about how they are provided with opportunities for advancement, career-building and development in organisations. Ilgen and Youtz (1986), for example, have warned against too much attention being paid to reducing 'access' discrimination compared with 'treatment' discrimination, *ie* what occurs once minority group members have gained access into organisations. Indeed, treatment conditions, such as position assignment or promotion, selection for training, salary increases, dismissal and redundancy, are influenced by one person's evaluation of another to whom these conditions are directed; to such an extent that the potential for bias becomes greater.

In recent years, a number of studies have examined treatment conditions in organisations, although their emphases have been on performance appraisal and

evaluation. Most of these have concentrated on rater and ratee behaviour. In particular, rater bias among managers has been measured to test for discrimination or unequal treatment of minorities. The question which researchers have sought to answer is whether the criterion measurements used by managers in arriving at their decisions discriminate unfairly between different racial groups.

2.2 Performance attributional effects

There is no doubt that race effects occur in a wide variety of organisational and management issues, such as group dynamics, communication and conflict resolution. For this review it is important to explore various areas in human resources management within organisations, where the effects of race are likely to be particularly felt. They include recruitment and selection, promotion (career development), training and development, retention (redundancy and dismissals) and performance management or evaluation. These are the essence of career dynamics. On many of these issues, it is not sufficient to just find differences. Rather, what is needed are possible explanations for why the differences exist, and what their implications are for management practices. There is a particular need for the search for explanations to be underpinned by some theory of behaviour in organisations.

As might be expected, the literature demonstrates a great deal of variation in the results of research into race differences in performance evaluations. To this extent, some writers have concluded that race and gender do not have a substantial effect on performance evaluations. Some studies, indeed, have shown no significant differences between racial groups, especially when controlling for other factors which are considered to influence the performance of individuals. Waldman and Avolio (1991) found no evidence of rater and ratee race effects on performance evaluations across a range of occupations, after controlling for cognitive ability, education level, and

length of experience. They concluded from their study of over 20,000 individuals employed in ten occupation categories, that there was little or no bias in the ratings of white managers. On the contrary, they believed that the ratings merely reflected the somewhat lower job-related ability and experience levels of minority ethnic sub-ordinates; and that managers were accurately representing performance differences due to ability or experience. Pulakos *et al.* (1996) arrived at a similar conclusion, but attributed the differences in performance evaluation between whites and ethnic minorities to the fact that there were differences in the ability of the two groups to perform 'concrete behavioural' and 'abstract conceptual' tasks. The mere fact of differences in rating, as demonstrated by these studies, does not signify that discrimination exists on these criterion measures. Indeed, Bass and Turner (1973) have suggested that only if these differences on the criterion measures are not associated with true differences in job performance, could the measures be said to be biased or unfairly discriminatory. Nonetheless, they acknowledged there were problems in supervisory ratings, to the extent that these (ratings) have little relationship with more objective indicators of job performance.

Whilst their conclusions appear to be unequivocal, it is noticeable that they are largely based on the results of statistical analyses of empirical data. A major shortcoming of these studies, however, was the fact that they were often set outside of the organisational context. They do not, therefore, address those issues relating to organisational and individual behaviour, and from which evidence of bias is often to be found.

Other commentators, however, have been less reticent, and an increasing number of studies have not only found significant differences, but have explained these in terms of rater bias. Baldi and McBrier (1997) also studied the experiences of a nationally representative sample of individuals across a wide range of organisations but,

unlike Waldman and Avolio, arrived at the conclusion that the direct effect of race persisted. In particular, they found that minority workers were significantly less likely to be promoted than were white workers with similar levels of education and work experience, and in firms with similar characteristics. An earlier study by Cianni and Romberger (1995) supported this view, but contended that the disadvantage was the direct effect of perceived denial of access to certain types of developmental experiences by immediate supervisors because of gender and race differences. Indeed, Baldi and McBrier (1997) have identified this as the more pernicious, less overt form of racial inequality which has replaced direct discrimination within organisations. In this respect, Pulakos and Wexley (1983) in looking at gender and performance ratings, have suggested that managers usually give higher ratings to subordinates they perceive as similar to themselves. This similarity effect has also been shown to be a factor for rater and ratee race (Kraiger and Ford, 1985). Paradoxically, ethnic minorities do not appear to progress any better even within organisations with a high percentage of ethnic minority employees, or those with an internal labour market. Baldi and McBrier speculate that this may reflect some sort of group threat process, the result of which is that white managers in disproportionately minority firms attempt to protect white employees by reducing the promotion opportunities of minorities.

What these research results show is that there may be some attributional bias among managers in organisations. However, very few of the studies provide any theories to explain the underlying causes of bias. It might reasonably be assumed, therefore, that covert forms of bias in performance evaluations are the random actions of individual managers in organisations. But Thomas and Alderfer (1989) have suggested that the influence of race on career dynamics actually takes place, and is best understood, within the context of organisational and inter-group dynamics. They believe the nature of organisational

behaviour is particularly important because it helps determine the interaction between individual and organisation in general, and the occupational experience of ethnic minorities in particular. In this respect, it can be speculated that the culture of the organisation is likely to exert considerable influence on its behaviour. We will return to the impact of other aspects of organisational culture in the next chapter.

2.3 Theories of performance evaluation

From the literature it is possible to identify possible theories that may explain some of the observed differences in performance, within the context of the overall evaluation of performance in organisations. We have suggested, in an earlier section of this brief, that the observed differences in performance between white and minority ethnic employees may be due either to biased perceptions or the existence of actual differences. The two explanatory theories we have identified from the literature, though, assume biased perceptions. The first is centred on 'cognitive processing' philosophy, and the second on 'in-group and out-group' membership.

2.3.1 Cognitive structures

Cognitive processing theory suggests that when assessing the performance of their subordinates, managers may look for information and evidence that confirm broader stereotypes based on, say, gender or race. Ilgen and Youtz (1986) have provided a useful description of such occurrence.

> *'To the extent that a manager perceives some characteristics negatively and attributes the characteristics to members of some minority group, instances of that behaviour might be noticed more frequently among minority individuals, thus 'confirming' the hypothesis and lowering evaluations of members of that minority group.... This may occur even though the characteristic involved is not related to performance on the job.'*

What Ilgen and Youtz are arguing here is that the attribution of negative characteristics to members of a certain group (in this case ethnic minorities) might lead to negative outcomes for all future members of that group. Attribution bias can take several forms, but two in particular are more relevant in this context. The first bias occurs when the performance level of minority group members is evaluated more negatively than their actual performance warrants, because of managers' prior expectation regarding the subordinates' performance (Green and Mitchell, 1979). Managers are likely to use various cues to form attributions. Among them are cultural differences between minority and majority groups which define effectiveness (Sanday, 1976). Cox and Nkomo (1986) postulate it is quite likely that arising from such consideration, a white manager may be concerned with the 'social' behaviour of a minority ethnic subordinate as a test of the extent to which the latter is perceived to fit with established norms within the organisation. Assimilation or conformity, therefore, become an essential part of the test of performance. Beatty (1973) concurs with this analysis. Studying a training programme designed to develop black supervisors, he investigated the relationship of training and non-training variables with employers' evaluations of black supervisors' job performance. He concluded from his analysis that employers' perceptions of black supervisors' social behaviour tended to be the most important influence on their evaluation; even more than the black supervisors' demonstrated abilities in cognitive areas such as problem solving.

The second form of evaluation bias arises from different attributions made by managers to explain the causes of an employee's level of performance. In this case, when ethnic minorities perform well on a job, managers discount their performance by attributing it to good luck or extraordinary effort, rather than to their abilities and talents. Based on Ilgen and Youtz's analysis, it can be argued that if a manager holds unfavourable stereotypes about ethnic

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minorities, then he/she may expect low performance of them; a successful job performance would violate such expectation. An explanation is therefore sought, in which the good performance is attributed to external or unstable causes, such as luck and ease of task, rather than to ability. Greenhaus and Parasuraman (1993) examined the impact of managers' gender and race on performance attributions made by their superiors. They were not looking at actual bias in performance attributions, but whether supervisors believed that their subordinates' success was due to factors other than ability. They found that at the very least, supervisors tended to discount the successful performance of their black managers by a reluctance to attribute that performance to high ability. Black managers' performance was less likely to be attributed to effort and was more likely to be attributed to help, than the comparable performance of white managers.

Andrew (1996) sees this attitude as one of the barriers to the development of black managers in public services in Britain. In a study of managers and professionals working in four areas of public services – local government, the NHS, civil service agencies, and the police service – he found that it was commonplace experience for black managers to be countering the negative effects of stereotyping, as well as negative attitudes and perceptions of white superiors. This was manifested in persistent undermining and, in particular, doubting of their credibility. This experience is not restricted just to ethnic minorities in the public sector. The experience of minority ethnic employees in the private sector provides confirmation of how pervasive the practice is. The Runnymede study of 100 FTSE companies found that although people from minority ethnic groups believed they were able and successful in their own right, most felt that they had to work harder than their white counterparts to get on, and were chagrined to see that often white peers with fewer qualifications were promoted faster and given exposure to the 'right' experiences earlier than they were.

That study also cited the example of a minority ethnic employee whose white manager believed he 'had slipped through too many nets' (*ie* been extremely lucky) to get to his current position, and was 'going to do something about it'.

There is no doubt that this situation will persist in many organisations, since promotion decisions are less open to scrutiny than, say, recruitment decisions, because the criteria tend to be more subjective. This in turn implies there is greater probability that discrimination can occur in more subtle ways, and quite often be difficult to detect (Baldi and McBrier, 1997). Indeed, a recent IES study by Rick *et al.* (1999) has shown that whites and ethnic minorities use quite distinct, but different, types of competencies when describing the performance of individuals. White raters, in this organisational study, were more likely to refer to individuals' management skills, their knowledge of the organisation, as well as competencies from a cognitive skills cluster. Ethnic minorities, by contrast, were more likely to describe performance in terms of organisational skills, time management, team working, and the self-management cluster of competencies. Rick *et al.* suggest that the competencies that different groups use may reflect those that they themselves are more comfortable with or value more highly. The greater use of cognitive skills and competencies by white managers (raters), for example, may be congruent with their seniority in the organisational hierarchy. Nevertheless, it was not always apparent that these were necessarily the competencies by which performance was evaluated. In many ways, the significant differences in attributions made about individuals from different ethnic groups emerged when people were described using mental model or constructs. It was at this level that white ratees were more likely to described positively than ethnic minorities by white raters. By the same token, minority ethnic individuals were less likely to be offered as exemplars of excellent performance; indeed they were over-represented

amongst those described by white raters as poor performers. Rick *et al.* attributed the observed difference to the differential behaviours of white raters, and which were based on biased mental models of performance.

2.3.2 In-groups and out-groups

The second key theory emerging from the literature that may explain bias, revolves around how individuals within organisations identify themselves with, or differentiate themselves from, others. An important factor which influences the way minorities are treated in organisations is, therefore, the effect of 'inter-group' life. Alderfer (1986) identifies two types of groups within organisations – identity groups and organisation groups. Identity groups are usually determined by their physical characteristics, such as gender, age, race or ethnicity. Organisation groups, on the other hand, are defined by task, function or hierarchy. Dansereau *et al.* (1975) earlier developed a model which suggests that managers assign subordinates to one of two groups, an 'in-group' or an 'out-group', and behave differently towards members of each of these groups. In-group members are generally treated more favourably, particularly in the type of support provided them. Managers are also less likely to use authority to influence the behaviour and performance of this group. Out-group members, by contrast, are likely to be managed according to a more authoritarian style, and through contract compliance. To the extent that they are usually described by their common characteristic (in this instance by their racial identity) within the organisation, ethnic minorities are allocated to the out-group.

The importance of groups in the study of organisational behaviour is that they are a potential source of conflict between individuals and the organisation. Thomas and Alderfer (1989) believe that the conflict between organisational group membership and racial identity group membership can become so rigid they can lead to

racist assumptions which, in turn, influence decisions that ultimately impact on the careers of ethnic minorities. The end result of the conflict is differential treatment of in-group and out-group members. However, it is manifested in quite different ways. For example, the psychological closeness between managers and their subordinates, the personal characteristics (*eg* race) of managers and subordinates, and managers' prior expectations of their subordinates' performance, all influence the assessment of different group members (Greenhaus and Parasuraman, 1993). In this case, the difference of perception of performance is related to racial and ethnic group identities; in this, ethnic minorities reflect the greater application of the effects of group membership. Not only that, but group membership also determines the direction of the good, informal mentoring experiences that provide opportunities for advancement.

Dreher and Cox (1996) have described access to information, visibility, and the chance to demonstrate competence as examples of opportunities that might not be equally available to all members in an organisation. They argue that individuals are more likely to establish relationships with mentors (as providers of information *etc.*) who are similar to them, particularly in terms of gender and race. Consequently, white men have greater access to these beneficial mentoring relationships; ethnic minorities and women, by contrast, are likely to have reduced access.

The importance of mentoring, but lack of mentoring opportunities for ethnic minorities, was also highlighted by the Runnymede Trust study of FTSE 100 companies. There was a feeling among the ethnic minority professionals who were interviewed for the study, that the 'old boy network' still operated, and that 'it's not what you know, but who you know that applies in order to get on'. Indeed, Baldi and McBrier (1997) go even further, to suggest that mentoring often negates the advantage of education as a

formal criterion for assessing performance and, hence, progression. Managers use a 'sponsorship' model for promoting white subordinates, but a 'contestant' model for minority ethnic subordinates, where education continues to be a determinant of promotion prospects. At its most base level, therefore, Greenhaus and Parasuraman (1993) believe it is possible that white managers may feel psychologically distant from ethnic minority group members, ascribe them outgroup status, and make unfavourable attributions regarding their performance.

There is very little empirical evidence with which to test the significance of these theories, especially in the way that the performance of minority ethnic employees is evaluated. However, the IES study by Rick *et al.* (1999), which collected data on the way in which employees evaluated the performance of their peers, revealed considerable differences in the way that different ethnic groups assessed performance. Rick *et al.* interviewed a cross-section of local authority staff using the repertory grid technique, and looked at the usage of positive or negative examples of competencies by the ethnicity of repertory grid individuals. They found that whites were significantly more likely to be described positively than individuals from minority ethnic groups. When they analysed the positive and negative attributions separately by the ethnicity of the interviewee, they found that white interviewees used significantly more positive attributions to describe white repertory grid individuals than they did individuals from minority ethnic groups. Conversely, they also made significantly fewer negative attributions about white individuals than minorities. By contrast, there were no significant differences in the usage of either positive or negative attributions by minority ethnic interviewees of the repertory grid individuals being described, whether white or not.

Rick *et al.* believe that both the theories of cognitive processing and 'in-group out-group' membership could

help explain their findings. They and concluded from their analyses that individual (white) managers' judgements about what constitutes a 'good performer' is likely to hold sway, especially where there are no agreed sets of criteria for assessing an individual's ability to do a job.

3. Organisational Culture, Support and Performance

In the last chapter, we highlighted the fact that organisational culture exerts influence on its behaviour and, hence, its treatment of different groups of employees. Indeed, there is growing recognition of the extent to which organisational cultures can contribute to exclusion and discrimination, despite the existence of equal opportunities policies and procedures. Connor *et al.* (1996) have defined organisational culture in terms of shared symbols, language, practices ('how we do things here'), and deeply embedded beliefs and values. The importance of organisational culture, in this context, is how salient it has become in the study of discrimination. It is not only because it can represent a serious barrier to change, but also because that barrier has itself become difficult to detect or pin down. It is part of the taken-for-granted, everyday reality and is, therefore, hard to see and challenge.

We also described the explanatory framework for observed differences in performance and, hence, some of the mechanisms which lead to the exclusion and marginalisation of ethnic minorities within organisational settings. Cognitive practices and group membership were the principal influences on managerial behaviour when assessing the performance of different ethnic groups.

These theories generally provide a useful explanation, but more of individual (managerial) behaviour than they do organisational behaviour. Foremost among the elements which define and shape the organisation's behaviour is its culture. In particular, the racial atmosphere in the organisation can have a strong impact on conceptions about minority individuals, about the type of people who are likely to be recruited and also promoted. However, the initial experience of minority individuals in the organisation has a significant impact not only on their careers, but on their behaviour as well. These factors give rise to two important considerations.

The first is whether the organisation's policies (on equal opportunities, for example), whilst successful in addressing the issue of access and statistical representation, are ensuring that employees with the appropriate educational attainment, skills and competencies are recruited and given opportunities for career progression. In other words, employees from minority groups may have been appointed at a lower performance threshold to increase representation, or because of guaranteed interview procedures and requirements to meet job specification, rather for being the best candidates.

The second consideration is whether the organisation's culture is such that minority individuals react negatively in rebellion to the lack of opportunity, of which under-performance is a potent outward manifestation. Here, minority groups may perceive themselves to be less valued by the organisation and, therefore, are less motivated and committed to their job. Previous research by IES has shown that staff with positive attitudes towards their job and organisation attend more regularly, and help improve the organisation's customer satisfaction rating (Barber *et al.*, 1999).

3.1 Do the determinants of progression differ by ethnicity?

It might be expected that comparable levels of education and qualifications would contribute to the elimination of inequality in workplace attainment between whites and minority ethnic groups. In this section we look at the role of education, training and development in organisational settings,and the relationship between ethnicity and educational attainment as a pre-requisite for progression within the organisation.

It is generally recognised that job performance is the key to progression within an organisation. However, there are also indications that besides performance, the employee's educational attainment is one of the most important factors which affects upward mobility (Markham *et al.*, 1987). Indeed, human capital theory argues that an employee's education increases his or her skills, which in turn enhances future job performance. The variation in upward mobility, however, is attributed to differences in the quantity and quality of educational opportunities available to minority groups (Sheridan *et al.*, 1997). Very often the type of university attended and the degree class obtained are used as proxies for the 'quality' of education. Previous research has shown that in the UK, minority ethnic groups are concentrated at a relatively small number of post-1992 universities (*ie* the former polytechnics – Taylor, 1992), and are more likely to have obtained a lower class of degree (Connor *et al.*, 1996). To this extent, Connor *et al.* suggested that minority ethnic graduates face disadvantages in the labour market. In their study of the experience of such graduates in the labour market, they found that attending a post-1992 university, having a low class of degree, and being a mature student had a significant impact on the long-term career expectations of people from minority ethnic groups. Because they have either lower entry or non-traditional entry qualifications, minority ethnic graduates are more likely to be adversely affected

where organisations use 'quality' of education as a criterion for evaluating the performance of potential employees.

The argument then is that:

- minority ethnic graduates have lower 'quality' degrees, *ie* lower degree class and from lower status universities
- this impacts on access discrimination
- this might also encroach onto 'treatment' discrimination (*ie* on promotion) because line managers hold negative views on such qualification
- minority ethnic graduates may, therefore, perceive higher levels of prejudice the closer they are, in terms of qualifications *etc.*, to their white colleagues.

Previous research provides some evidence for such assertions. It has been suggested, for example, that entry level job opportunities are based on competition with other organisations in the external labour market. Once individuals are recruited, however, promotion opportunities are determined by an internal labour market which is much more regulated by the organisation's own goals and objectives (Sheridan *et al.*, 1997). If (white) line managers hold such negative perception of minority ethnic individuals, as was discussed in the last chapter, it is likely to influence their subsequent evaluation of the performance of their minority subordinates. Connor *et al.*,(1996) have cited evidence to suggest that many minority ethnic graduates, for example, perceive many City of London institutions and firms to be virtual 'no go areas' or 'Anglo-Saxon fortresses'. They are put off applying for jobs in these companies, either because they think they do not stand a chance, or because even if they obtained a job, they would face a hostile environment. Other evidence from the Runnymede Trust study of 100 FTSE companies also indicates there were instances where in order to get on, minority ethnic professionals and managers had either to

leave the organisation or their department because they felt they were being blocked by a particular line manager (Runnymede, 2000).

Madood *et al.* (1997) have suggested that a climate in which equal opportunities issues are being addressed is more likely to highlight the perception of discrimination. They contend, however, that such experience of discrimination may be more linked to the competition for prized jobs. Thus:

> *'... a precondition of the encounters in which discrimination may occur is competition for the same jobs, and that assumes some commonality in qualifications, skill levels and employment experience. As ethnic minorities become more effective competitors for more prized jobs and professions, the salience of the issue of discrimination [may] ironically increase.'*

It may be pure conjecture, therefore, to conclude that job performance is influenced by education level. Indeed, Sheridan *et al.* (1997) have suggested that the implications for organisations wedded to such a truism is that they would have no room for 'late bloomers'. Similarly, the decision process involved in clinging to such belief would continue to favour and promote employees from better 'quality' educational institutions, but who in fact have lower performance, in preference to those with higher performance even though they lacked the education of the valued organisation. In either case, this would be to the detriment of the organisation, as competent professionals either do not apply to join an organisation with such a reputation in the first place, or leave because of a perceived lack of opportunities for progression. Against this background it could be argued instead, that the most obvious alternative explanation for race effect, in the face of equal qualification, skill levels and employment experience, is that discrimination exists in promotion (progression) decisions. Heath and McMahon (1995) have described this as an 'ethnic penalty', defined as:

'all sources of disadvantage that might lead an ethnic group to fare less well in the labour market than do similarly qualified whites...although discrimination is likely to be a major component'.

The extent to which this is tolerated in practice, though, will tend to be a reflection of the 'culture' of the organisation, as determined by its leaders and senior management.

3.2 Ethnic minorities' response

In recent years, a combination of economic and social changes has pushed discrimination and equal opportunities high up the political agenda. Notwithstanding improvements in the employment situation of minority ethnic groups, however, real equality in the workplace is still seen as a distant prospect. This is largely because although overt discrimination is waning, it is being replaced by more subtle forms of bias: in particular, in reduced opportunities to enhance work-related skills and in development of supportive relationships within organisations.

The importance of a supportive relationship for progression cannot be over-emphasised. It is a means by which managers actively endorse their subordinates, for example, through assignments that lead to increased visibility, access to training, and participation on key task forces. In fact, development opportunities are seen as forms of recognition, whilst increased visibility conveys a message that an employee is 'promotable', or 'has the potential to get to the next level' (Cianni and Romberger, 1995). It is equally true that access to information, advice, support, visibility and the chance to demonstrate competence, are examples of opportunities which are not equally available to all groups within organisations. Indeed, exclusion from structures, formal and informal, which provide such support, is also another form of covert discrimination and disadvantage. What makes this form of discrimination

more debilitating is the way it contributes to undermining the confidence and career aspiration of those who are excluded.

In their study of ethnic minority graduates in the labour market, Connor *et al.* (1996) found examples of graduates who at the beginning of their careers were confident, enthusiastic and very career orientated. However, they became very demoralised and disillusioned after struggling in a competitive graduate labour market, where many felt they faced racial discrimination, in addition to other forms of disadvantage. Their confidence had been seriously undermined, to such an extent they did not think they could achieve their original ambitions.

Ilgen and Youtz (1986) have suggested that to some extent, conditions in the organisation are responsible for creating such individual-level limitations. They have termed this *self-limiting behaviour*. Self-limiting behaviour explains the way that people hold themselves back from career development. It refers to the long-term effect of experiencing lost opportunities for development across one's career. As a result of the accumulation of lost opportunities, employees may engage in behaviours that do not serve them well. For example, they may refuse more challenging job assignments. When accumulated over time, such self-limiting behaviour increases ability and motivational differences for individuals or groups of individuals. A downward spiral becomes established, as a result of which such employees lose confidence in their own ability, and managers differentially limit the opportunities provided them further. Waldman and Avolio (1991) have used Ilgen and Youtz's self-limiting behaviour classification as an alternative explanation for the race effects in performance evaluation, arguing that what is perceived as rater bias, is actually an accurate assessment of the poor performance of minority ethnic employees in organisations. However, this ignores other accumulated evidence that suggest that 'invisible barriers'

and mechanisms which lead to exclusion and marginalisation exist in the organisational cultural milieu. In any case, there is no evidence to show that ethnic minorities have a lack of desire for career progression, and that this effectively becomes a barrier to such progression. On the contrary, the very opposite appears to be the case. Indeed, it is partly because of an ambition to succeed, that minority ethnic employees believe they have to work twice as hard as their white counterparts with similar educational background, skills and employment experience, to achieve the same career goals (Connor *et al.*, 1996; Rick *et al.*, 1999; Runnymede, 2000).

So, where are we now? It can be surmised from the foregoing analysis that differences in attainment levels have considerable effects in organisations. Managers may still carry on inequality practices. Their minority ethnic subordinates meanwhile may perceive there is more prejudice and are, therefore, demotivated and less committed. The outcome of this may be to lower enthusiasm and effort. However, the antecedents of such behaviour, are the perceived discriminentory treatment. They are most visibly demonstrated through the existence of sponsorship systems, through which the opportunities for development are made available to some groups but not others. The opportunity for development must be distinguished from that for training. There is little or no evidence to show that ethnic minorities face significant barriers to access to training. Instead, Cianni and Romberger (1995) have shown that 'being Black played a greater role in advancement opportunities than access to training'.

Recent evidence from a survey of staff working in the central Home Office revealed that those from minority ethnic groups did not feel they were treated fairly in the department in terms of career development and promotion. In particular, minority ethnic staff were perceived to be barred from the area of policy work, on

which careers in the civil service are built. This was seen as the institution not recognising for a long time that minority ethnic staff were not assisted in their career development to get such opportunities to learn whether they have the quality for higher status in the civil service (Travis, 1999). This is the most potent symbol of organisational culture at work, in its lack of support for the development of what is visibly an identity group.

The question arises whether it matters that organisations continue to engage in policies and practices that result in differential evaluation and treatment of different racial groups. We believe the response to this question should be in the affirmative. It is increasingly recognised that there are clear implications for organisations from unequal development of all of their workforce. As the President of the CharteredInstitute of Personnel and Development (Bett, 1996) has noted:

> *'We are in an era in which the quality of their people is the distinguishing feature of successful organisations. People are the single sustainable source of competitive advantage. The personnel profession has a commitment to improve the contribution people make to business performance. To do this effectively we must address the issue of workforce diversity.'*

So, what should organisations do, in terms of remedial action to address 'the problem of minority performance'? In the next chapter we briefly look at some possible actions to secure institutional and organisational change to ensure racial equality in the *treatment* of ethnic minorities.

4. Remedying Differential Performance Evaluations

We have, in the preceding chapters, presented a review of the literature on race in organisations. This literature paints a mixed picture of the evidence on race and performance, but the general theme is that race is an issue with regard to performance within many organisations. The reasons for the observed differences in supervisor ratings or other performance outcomes remain contentious, with some authors suggesting that differences can be attributed to actual performance, whilst others contend they are due to rater bias.

Having reviewed the external evidence from published studies and research, we suggest in this chapter how organisations may identify and address any internal problems of minority performance. Our approach is based on three assumptions:

- that there is a belief or suspicion that inequality in the evaluation of performance of different groups is a problem
- that the organisation wishes to identify the areas and causes of the problems, and
- that there is a desire to develop mechanisms or approaches to eliminate the problem.

Until recently, most organisations concerned with diversity awareness have done so from the belief that discrimination was wrong both legally and morally. Organisations adopting this *discrimination and fairness* approach have tended to focus on equal opportunity, fair treatment, compliance with legislative requirements and recruitment. Progress has frequently been measured by how well recruitment and retention goals are achieved. Some commentators have suggested, however, that a rigid adherence to discrimination and fairness is ineffective in finding solutions to the management of diversity. The resultant concentration on access discrimination is likely to represent only a superficial improvement, with few long-term benefits for ethnic minorities.

Increasingly, therefore, racism awareness is being seen as going beyond boosting the numbers of minority ethnic groups within organisations. When allowed to, members of these groups can help organisations improve their performance by challenging basic assumptions about organisations' functions, strategies, practices and procedures.

Emerging from this perspective is a 'business case' argument for adopting an approach which acknowledges that organisations are operating in a competitive global business environment. Along with an increasing consumer demand, there is increased diversity among customers, clients and the labour pool. Utilising different perspectives and building on diversity enables organisations to respond better to the needs of such a diverse range of customers, and establish a competitive advantage. This business case has, consequently, extended the scope of attention beyond access discrimination to the wider issues of treatment of minority ethnic groups within organisations.

4.1 Is there a problem?

The starting point for any remedial action is for employers to ask themselves if they have a problem. In other words, are there observed differences in performance ratings, recruitment or promotion rates, turnover, performance related pay, or disciplinary or grievance outcomes? We suggest any action must be firmly located in evidence, and the initial source of evidence for most organisations is detailed information on the workforce. This will include all the fundamentals of workforce planning – numbers at each grade, recruitment and retention rates, tenure, progression *etc.* This will be broken down by ethnicity and by location as well, since the distribution of different ethnic groups is likely to vary between locations, in the case of multi-sited organisations. With such basic information, organisations can enquire if any observed differences hold true at all locations and all grades *etc.* We would suggest some basic statistical analyses:

- Are recruitment rates reflecting the external ethnic minority population?
    - if not, is this an issue of lack of applicants, smaller numbers being shortlisted, problem with any tests used, or interview outcomes?
- Are promotion rates reflecting the proportion of ethnic minority staff in the feeder grades?
    - Will current rates of promotion address any under-representation?
    - Is the problem one of lack of relevant (or suitable) qualifications, application, success in selection?
    - Are there different career paths for different ethnic groups, *ie* are they joining the organisation at different levels with different qualifications and progressing differentially or through different routes?

- Are turnover rates equivalent for majority and minority ethnic groups?
  - does this hold true at all grades?
- Are performance ratings the same for all ethnic groups?
- Is performance-related pay equivalent for different ethnic groups?
- Are disciplinary and grievance outcomes the same for different groups?

A large number of corporate sector organisations are still unable to provide employee statistics broken down by ethnicity, or by levels in the organisation. The Runnymede study of 100 FTSE companies has noted that, although government legislation and tribunals have been encouraging organisations to monitor the composition of their workforces for over 20 years, many of Britain's top companies have not taken this fundamental first step (Runnymede, 2000).

4.2 Where is the problem?

If there is evidence of a problem, then the next level of enquiry for the organisation is to identify the problem areas and undertake further work on those areas. Discrimination may be in terms of access to the organisation or treatment once in the organisation. The tendency has been for organisations to attempt to address access discrimination whilst being less active to eradicate treatment discrimination. A number of factors may be at work here.

- The **recruitment methods** used may discriminate against ethnic minorities if the organisation targets particular universities, or holds open days at its premises to which only 'potential' recruits are invited. Where this is the case, the organisation could review their recruitment methods. In some organisations too, the most frequently used method of recruitment is by

word of mouth, often through existing or former employees or family members. This tends to exclude ethnic groups with little or no representation among the workforce from gaining access.

- The **shortlisting and selection criteria** may also disadvantage ethnic minorities. For example, the most significant criterion, in terms of its likely impact on the recruitment of ethnic minorities into higher level professional positions, is employers' preference for graduates from the pre-1992 universities. The blue chip companies interviewed for the Connor *et al.* study had a clear preference for graduates from pre-1992 universities, and had little or no contact with the post-1992 universities, where minority ethnic students are concentrated (Connor *et al.*, 1996).

- There has been much written on the tendency of **selection panels** to select in their own image. If organisations tend towards reduced diversity at senior levels, then there may also be a tendency to select those that 'fit', in terms of their social background, attitude and approach. In some organisations, progression of minority ethnic groups may be almost non-existent because of an informal policy which restricts movement into designated areas of work.

- Different **career paths** may be favoured, thus leading to different outcomes in promotion opportunities. Some organisations may favour experience in certain sections or even overseas, and such experience may be less frequently accessible to individuals from minority ethnic groups.

- **Appraisal systems** may deliver differential performance judgements to different groups of individuals. Previous research by IES has shown that white raters may judge minority ethnic individuals less highly than their white peers, a bias that is not shown by minority ethnic raters (Rick *et al.*, 1999).

- If appraisal outcomes are biased, then **performance-related pay** may also be delivering differential outcomes on the basis of ethnicity.

- Similarly, other judgements of performance may also be suspect. This can be reflected in **disciplinary rates** or the use of grievance procedures. IES research has found that race may be an issue in the usage of formal procedures. Some line managers are more likely to resort to formal procedures when dealing with individuals from minority ethnic groups, whereas others might put considerable effort into resolving problems through more informal methods (Rick *et al.*, 1999). In both instances, though, it was found that individuals were not given the appropriate feedback they needed in order to adjust their behaviour.

4.3 What are the mechanisms?

Having conducted an appropriate audit to determine the specific areas of concern, the next step is to address the issues they present. Organisational approaches frequently focus initially on systems, then on processes and, finally, on attitudes and behaviours. The analysis stage is critical in determining the kind of approach that might be most appropriate, and it is clearly vital that the audit results are fully used to inform practice. Systems bias may arise where there is little guidance to managers on the criteria to be used to recruit, promote, assess performance *etc.* Discrimination at the systems level is generally rare, and most organisations have systems that are adequate and appropriate for their needs. However, it is often the case that smaller organisations have less-developed systems, and as such may benefit from a system review. Problems, whilst rarely arising solely because of systems failure, are even more rarely resolved purely by a systems solution.

The next step is to look at processes, *ie* encompassing everything involved in the operation of systems. Processes

include the means by which jobs are defined and advertised, applications received and responded to, decisions made on selection procedures to be used and their operation. Processes include as well the written systems and the unwritten 'rules' of their operation, including the tacit acceptance of notions such as 'the way we do things around here', that populate a large number of organisations. Tacit processes, more often than not go unchallenged, and yet need to be included in any audit enquiry. Such tacit processes might include decisions on which universities to target for recruitment purposes, or where to place job adverts.

The last step considered by most organisations is how to challenge inappropriate attitudes and behaviours. The sensitivities and discomfort of acknowledging that the views of individuals within the organisation, or their behaviour, might be contributory factors in explaining the differences in observed outcomes, also mean that challenging attitudes and behaviours is often left to the last. Such attitudes may not be manifest in explicit racism, but rather the gamut of behaviour that might be indicative of the group identity issues that we noted in the literature review. Understanding these reactions is critical to dealing with issues of attitudes and behaviours. Evidence of potential behavioural issues include differences in interview outcomes, and in appraisal judgements. Attitudinal and behavioural problems are most often tackled through training and development, sometimes in conjunctions with appraisal systems that make explicit what is (or what is not) expected behaviour. They are better defined through competencies.

4.3.1 What training?

Anti-racism training, is directly related not only to the improvement of treatment conditions of ethnic minorities in organisations, but also to the delivery of services to clients, customers and the wider public. Its principal goals

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must include eradicating biases that lead to discrimination, enhancing the capacity of organisational personnel to utilise diversity internally, and to serve diverse external clients and customers equally.

The effectiveness of training depends on what it is trying to change. Three models have been proposed for enhancing racial equality in services (Oakley, 1993).

- **Increasing trainees' knowledge of other cultures:** this is cross-cultural training which seeks to instruct participants about the lifestyles, values and beliefs of people from different cultural groups. Its goal is to help participants gain knowledge which would dispel prejudice, and help them to be more sensitive when dealing with or serving people from different cultures (Commission on Systematic Racism, 1995). This is the model widely used by law enforcement agencies. However, some research has suggested that it may inadvertently promote and reinforce the attitudes and behaviours it seeks to prevent in the first place.

- **Changing attitudes:** this model is concerned with attitudes rather than knowledge. It attempts to tackle directly the perceived roots of racist conduct: beliefs and assumptions that are often subconscious. Its task is to show how subtle forms of historical beliefs for example, pervade the culture and systems in which people work. It does so by identifying and eliminating beliefs that may result in negative judgements about people who are perceived as different. This is classical 'racism awareness training', although it has been criticised for not being usually founded within the context of concrete action (Gurnah, 1987).

- **Changing behaviour:** this model seeks to equip trainees with skills to recognise and correct actions that exclude or discriminate against ethnic minorities. The thrust of the training emphasises the identification of

organisational and systematic factors that influence behaviour. At the same time, it develops critical thinking and problem-solving techniques to prevent conduct with a racist impact. This model differs from the others in the sense that the content is drawn from occupational tasks that people perform in their working lives. Its ultimate goal is *'to alert trainees to often subtle discriminatory practices that they or their colleagues may engage in, and develop skills for adjusting behaviour'* (Commission on Systematic Racism, 1995).

Organisations need to be sure of what they are trying to achieve when they embark on equalities training. Any decisions should be firmly based on the identified needs emerging from the audit.

4.3.2 Summary of actions

- Undertake a thorough workforce review to identify any areas of concern.
- Identify if access discrimination (*ie* issues of recruitment to the organisation), or treatment discrimination (*ie* differences in treatment once in the organisation) is the issue.
- Identify those areas that are the focus of the differences, *eg* shortlisting, promotion rates, performance assessment, career paths *etc.*
- Look at systems, processes, and attitudes and behaviours as possible contributory factors to any observed differences.
- Decide if tacit or explicit factors at work challenge assumptions and traditional ways of doing things.
- If behaviour is the problem, assess what needs to be changed and what is possible within the cultural context.
- Review the impact of all actions and revisit solutions.

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The Problem of Minority Performance in Organisations

ND Tackey, P Tamkin, E Sheppard

There is increasing evidence from the literature on research into race in organisations which suggests that although employers have made considerable strides to improve the representation of minority ethnic employees, they have been less successful in ensuring that their procedures and practices do not contribute to discrimination in the workplace. This research brief concentrates on one of the key determinants of progression within organisations: the performance management process, and explores the literature on the relationship between ethnicity and performance in order to understand the issues that may contribute to the frequently observed under-performance of minority ethnic employees.

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58

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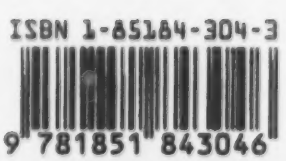

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